

## Six-Month Guarantee Reduced to 90 Days



Members applying for a retirement benefit from the Public Employees' Retirement Fund can now do so 90 days in advance of their retirement date rather than six months as previously requested.

"This will allow members more flexibility in selecting a retirement date that better fits their retirement needs while still providing a smooth transition from their last pay check to their first benefit payment," said PERF Executive Director Terren B. Magid.

PERF's customer service is driven by a strong pledge to member education. This includes the *Bridge to Retirement*, a two-year process members should follow for a smooth and pleasant retirement experience.

The *Bridge to Retirement* process is supported by statewide pre-retirement workshops and meetings conducted by retirement services consultants to educate members on retirement and their PERF benefits.

"Future retirees must consider many issues prior to retiring," said Steven Barley, Chief Operating Officer & Deputy Director. "Our job is not done if we do not assist them with planning for their retirement."

If you are considering retirement, have any further questions, or if you need to set up a counseling session, please call us toll-free at (888) 526-1687.

## STABILITY IN TOUGH TIMES: Is My PERF Retirement Safe?

**C**ontinuing news regarding a global financial crisis has left individuals throughout the nation questioning the safety of their retirement savings. Members of the Indiana Public Employees' Retirement Fund can be assured that the fund remains in solid shape.

Despite the ongoing market challenges, PERF's ability to meet its obligations to pay benefits to current or future retirees, or other benefit recipients, has not been impacted by the current market turmoil.

The information below will help PERF members understand their benefits and how PERF's prudent, long-term approach to investing helps protect the fund from dramatic market swings.

### Funded status

The most common measure of a retirement plan's health is funded status which is the ratio that measures actuarial plan assets to actuarial liabilities. PERF has ranked among the best public pension plans in the nation with an aggregate funded status of 99.6 percent at the end of the 2008 fiscal year.

### Defined benefit plan safety

PERF retirees' primary benefit comes from a "defined benefit" pension plan in which benefit amounts are not driven by investment returns. Instead, the amount of the benefit is driven by a member's years of service and salary history. Put simply, your potential defined benefit pension benefit will not decrease because of market conditions.

### Investment Diversification

During the market booms of previous years, PERF's management and board of trustees were implementing an asset allocation designed to protect the portfolio from market downturns. The idea is that when one type of investment, such as public equity, is down, other types of investments may be stable or even up. While PERF is not immune from difficult markets, this long-term approach to investing is aimed at insulating our investments from major swings, up or down, in the market.

### Should PERF move its investments?

Selling when the market is low, and buying when it is high is not a sound investment strategy. A disciplined commitment to a long-term investment strategy supported by a well-diversified allocation of investment assets provides the best opportunity to weather market ups and downs.

### What is PERF doing now?

Armed with a strong plan for difficult market times, PERF's investment staff is actively and closely watching each development in the market and assessing its impact on the investment portfolio. The team is not "day trading" or "playing the market," but relying on a prudent long-term investment strategy focused on managing risk through diversification.

### Questions?

**Contact our customer center at:**

E-mail: [questions@perf.in.gov](mailto:questions@perf.in.gov)

Toll-Free: (888) 526-1687

## PERF Achieves Third Consecutive Clean Financial Opinion

**Audit findings dramatically reduced in four years**

**T**he Public Employees' Retirement Fund (PERF) of Indiana has achieved an unqualified financial opinion for the third consecutive fiscal year while reducing the number of findings from 30 in 2004 to two in the recently-completed audit.



The Indiana State Board of Accounts (SBOA) completed its review of PERF's financial statements Sept. 30, 2008, for the fiscal year ending June 30, 2008. The results, presented to PERF's Board of Trustees Nov. 21, show PERF has made significant progress in improving the quality of its financial statements over a period of four years.

In fiscal year 2004, PERF received a qualified audit opinion with 30 specific findings regarding areas of needed improvement. A strong turnaround plan reduced findings to 15 in fiscal year 2005, 11 in 2006, six in 2007, and two in 2008.

"PERF's progress in improving its financial accountability and reducing the number of audit findings over the last four years has been nothing short of extraordinary," said SBOA Deputy State Examiner Paul Joyce.

PERF Executive Director Terren B. Magid noted that improvements reflected in the annual audit have driven gains in customer service as well. "This third consecutive clean financial opinion reflects a four-year commitment to overhaul PERF's operations with a clear focus on improving accountability for all of our activities," he said. "These types of improvements also have resulted in improved processes that make our services more efficient while improving customer satisfaction."

An unqualified opinion is regarded by many as the equivalent of a "clean bill of health" to a patient, which has led many to call it a clean opinion. This type of report is issued by an auditor when the financial statements presented are free of material misstatements and are in accordance with generally accepted accounting principles (GAAP). This means that the company's financial condition, position, and operations are fairly presented in the financial statements. It is the best type of report an auditee may receive from an external auditor.

## PERF Earns National Recognition for Second Straight Year

For the second consecutive year, the Indiana Public Employees' Retirement Fund (PERF) has received national recognition for excellence in plan administration and funding.

The recognition comes in the form of an Award of Excellence from the Public Pension Coordinating Council (PPCC), a coalition of three national associations that represent public retirement systems and administrators. While more than 500 retirement systems are eligible to apply, PERF was among only 67 systems to receive the PPCC Standards Award in 2007.

"This award represents a significant commitment of the PERF team and Board of Trustees to hold ourselves accountable to a high set of administrative and funding standards," said PERF Executive Director Terren B. Magid. "Last year was the first time PERF qualified to receive this award and we're proud to be recognized for a second straight year."

To receive the award, PERF met requirements in both administrative and funding areas, including a comprehensive benefit program, funding adequacy, actuarial evaluation, an unqualified audit opinion, investments, and member communication.

"These standards serve as a benchmark by which all defined benefit public plans should be measured," said Keith Brainard, research director of the National Association of State Retirement Administrators. "By holding itself to these standards, Indiana PERF has clearly made a commitment that places it among the leading public plans in the nation."

# Dates to Remember

Here are some dates for submitting retirement applications to PERF. You can find more Dates to Remember at [www.perf.in.gov](http://www.perf.in.gov).

For a Retirement Date of:	Your Application Deadline is:
May 1, 2009	Feb. 1, 2009
June 1, 2009	March 1, 2009
July 1, 2009	April 1, 2009
Aug. 1, 2009	May 1, 2009
Sept. 1, 2009	June 1, 2009



## PAY ATTENTION TO PERF!

### How To Change Name, Address or Beneficiary Information:

- Visit [www.perf.in.gov](http://www.perf.in.gov), select **Member Login** to register for PERF Online.
- Get a copy of the appropriate form online at [www.perf.in.gov](http://www.perf.in.gov) under "Member Forms" or call (888) 526-1687 to request the form. Complete the form AND sign it. Fax or mail it to PERF.

## Pension Secretaries Seminar Helpful to 77 Fund Members

The Indiana Public Employees' Retirement Fund recently offered a free seminar for pension secretaries, controllers, clerk-treasurers and trustees who interact with PERF's 1977 Police Officers' and Firefighters' Pension and Disability Fund.

The annual event typically provides information on new legislation and rules affecting the fund, new processes and forms, and an opportunity to ask questions regarding the fund or PERF. Seasoned pension secretaries also share best practices in defining the role of the local pension board.

### The meeting included the following agenda items:

- Overview to local departments on how to report pension relief data to PERF
- Overview of the impact of pension relief being picked up by the state
- Overview of mental standards testing for the 77 Fund
- Panel discussion (best practices) for pension secretaries
- Overview of the field services outreach program
- Overview of what is processed in the 77 Fund

For more information, contact PERF toll-free at (888) 526-1687 or by e-mail at [questions@perf.in.gov](mailto:questions@perf.in.gov).

## PERF's Mission:

We are committed to serve — through exceptional customer service — our employers, our members and their families, in achieving their retirement goals and financial security.



**Governor Mitch Daniels**

**Executive Director Terren B. Magid**

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